

United Arab Emirates: Authorized Economic Operator (AEO)

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AUTHORIZED ECONOMIC OPERATOR

الإمارات العربية المتحدة
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Abstract: **Eng:** This article examines the Authorized Economic Operator (AEO) program in the UAE, highlighting its significance in streamlining customs procedures, enhancing trade efficiency, and improving supply chain security. It reviews the program's history, current status, certification processes, benefits, challenges faced by SMEs, and regional comparisons with Gulf countries. The findings indicate substantial improvements in customs efficiency, cost savings for businesses, and growing international recognition.

UZ: Ushbu maqola Birlashgan Arab Amirliklaridagi (BAA) Autorizatsiyalangan Iqtisodiy Operator (AEO) dasturini tahlil qiladi. Maqolada bojxona jarayonlarini soddalashtirish, savdo samaradorligini oshirish va ta'minot zanjiri xavfsizligini kuchaytirishdagi AEO dasturining ahamiyati yoritiladi. Dastur tarixi, hozirgi holati, sertifikatlash jarayoni, foydalari, kichik va o'rta korxonalar (KO'K) duch kelayotgan muammolar hamda Fors Ko'rfazi mamlakatlari bilan taqqoslov tahlili keltirilgan. Tadqiqot natijalari bojxona samaradorligi sezilarli darajada oshgani, bizneslar uchun xarajatlar kamaygani va dasturga xalqaro miqyosda e'tibor ortib borayotganini ko'rsatadi.

RU: В данной статье рассматривается программа Уполномоченного Экономического Оператора (АЕО) в ОАЭ, подчеркивается её значение в упрощении таможенных процедур, повышении эффективности торговли и обеспечении безопасности цепочки поставок. Анализируются история программы, её текущее состояние, процесс сертификации, преимущества, сложности, с которыми сталкиваются малые и средние предприятия, а также проводится сравнительный обзор с другими странами Персидского залива. Результаты исследования свидетельствуют о значительном повышении эффективности таможенных органов, сокращении издержек для бизнеса и растущем международном признании программы.

Keywords: Authorized Economic Operator, Customs Facilitation, UAE, International Trade, Logistics, SME participation, Mutual Recognition Agreements.

Summary

The Authorized Economic Operator (AEO) program is a customs-to-business partnership initiative defined by the World Customs Organization (WCO) in its SAFE Framework of Standards (first adopted in **2005**) to enhance supply chain security and facilitate legitimate trade. Under an AEO program, accredited companies that meet certain compliance and security criteria are recognized as “trusted” and enjoy various trade facilitation benefits. The United Arab Emirates (UAE) — one of the Middle East’s largest trading hubs — officially launched its AEO program in **October 2016**, becoming one of the first in the Gulf Cooperation Council (GCC) region to implement such a program. Since then, the UAE AEO program (often termed UAEO) has expanded rapidly, with a growing number of certified companies and multiple international mutual recognition agreements (MRAs) in place. This report provides a detailed overview of the UAE’s AEO program, including its history, current scope, benefits, certification process, challenges, governance structure, and key statistics, as well as a brief comparative summary of AEO implementation in other GCC countries (Saudi Arabia, Qatar, Oman, Bahrain, and Kuwait).

Historical Background and Timeline of AEO in the UAE

The Authorized Economic Operator (AEO) concept was introduced by the World Customs Organization (WCO) through the SAFE Framework in **2005** to enhance global trade security while facilitating the flow of goods. This initiative encouraged countries to shift from transaction-based customs checks to a partnership-based system. Following WCO guidelines, many countries adopted AEO programs in the late **2000s** and **2010s**. In the UAE, the AEO journey began in the mid-**2010s**, with Dubai Customs launching a national pilot in **September 2015**. The UAE officially rolled out its AEO program on **October 30, 2016**, under the coordination of a newly established National AEO Committee led by the Federal Customs Authority. Initially, only a few companies were certified as AEOs.

In **2017**, the program expanded, and the UAE signed its first Mutual Recognition Arrangement (MRA) with South Korea in **July**, followed by a work plan with Saudi Arabia in **November**. By the end of that year, AEO-certified companies were responsible for **23%** of Dubai’s customs declarations. Growth continued in **2018**, with AEO firms handling **34%** of customs declarations and a new MRA action plan signed with China in **December**. By **January 2019**, **55 companies** had joined the program. Despite the challenges of the COVID-19 pandemic, the AEO program demonstrated its resilience in **2019–2020**. By **mid-2020**, there were **77 certified companies** and **84 more applications** pending. AEOs played a critical role in maintaining supply chains, handling **4.4 million customs transactions**, which made up **61%** of Dubai’s total **7.2 million** transactions in the **first half of 2020**. In **November 2020**, the UAE underscored its leadership by virtually hosting the **5th WCO Global AEO Conference**.

Between 2021 and 2022, the program continued to grow, with 107 certified companies by August 2022, including importers, exporters, manufacturers, and logistics firms. The UAE also expanded its international AEO network, signing cooperation agreements with Indonesia and including India in the UAE-India Comprehensive Economic Partnership Agreement (CEPA). Furthermore, the GCC AEO unified program was piloted in late 2022 and officially launched on January 1, 2023, connecting AEO systems across Gulf countries. As of early 2023, the UAE had

123 certified AEOs nationwide, with MRAs signed with key partners such as South Korea, China, India, Indonesia, and all GCC states—together accounting for approximately 35% of the UAE’s non-oil trade. The program continues to mature with ongoing monitoring, re-validation processes, and the introduction of new benefits to maintain its attractiveness and effectiveness in international trade.



Figure 1: Simplified AEO Certification Process in the UAE – from application and self-assessment to validation, approval, and ongoing monitoring (overall process ~3 months). wcoomd.org

Number and Types of AEO-Certified Companies in the UAE

The UAE's Authorized Economic Operator (AEO) program began with a small group of large, compliant companies and has grown significantly over the years. By **January 2019**, there were **55** certified companies, rising to **77** by **mid-2020**, and surpassing **100** by **2022**. Currently, more than **120 companies** are certified, handling a substantial portion of the country’s trade. In **2020**, AEO members conducted **61%** of Dubai Customs transactions, and by **2022**, millions of declarations were being processed by AEO firms.¹

The program is open to all key players in the international supply chain, including importers, exporters, manufacturers, logistics providers, customs brokers, and warehouse operators. Initially focused on large trading and manufacturing firms, the AEO roster has grown to include logistics and service companies such as DHL, FedEx, Aramex, Kuehne + Nagel, DB Schenker, DSV, and UPS. While most certified companies are large enterprises due to the high compliance standards, small and medium-sized enterprises (SMEs) are also encouraged to apply.

The UAE’s AEO program maintains a single high standard for all participants, without a tiered system. The impact of this trusted trader network is reflected in trade metrics: AEO firms handled **23%** of customs declarations in **2017**, rising to **34%** in **2018**, and over **60%** by **2020**. These companies dominate key sectors such as food, medical supplies, automotive, and consumer goods. With many new applications underway, the number of certified companies is expected to continue increasing, further enhancing the role of AEOs in the UAE’s international trade landscape.

Benefits and Incentives for AEO-Certified Businesses in the UAE



No.	Benefit	Description
1	Extensive Benefits Package	UAE offers 47 benefits in phases to improve trade efficiency and reduce operational burden.
2	Faster Customs Clearance	AEO shipments are prioritized, with 53% faster clearance on average; can be up to 85% faster , reducing delays and costs.
3	Dedicated Key Account Managers	Each AEO company is assigned a personal customs manager to assist with coordination and problem resolution.
4	Reduced Operational Costs	AEO firms enjoy cost savings up to 36% through reduced delays, duty guarantees, and fewer penalties.
5	Simplified Procedures	Less frequent inspections, faster document processing, and lighter post-clearance audits; smoother trade flows.
6	Inter-Agency Facilitation	AEO status is recognized by other UAE regulatory agencies, enabling faster approvals and streamlined coordination.
7	Marketing Competitive Edge	Certification boosts reputation, attracts partners, and provides an edge in tenders and contracts.
8	Fewer Supply Chain Disruptions	Strong security standards reduce risks like theft or delays; AEOs are prioritized during crises (e.g., COVID-19).
G	International Recognition	AEOs receive reciprocal benefits abroad (e.g., faster processing in South Korea, China , etc.) through Mutual Recognition Agreements.



	(MRAs)	
10	Continuous Monitoring Updates	UAE regularly tracks AEO KPIs and updates incentives, including new regional benefits under the GCC AEO initiative.

Comparative Regional Analysis

All GCC countries have operational AEO programs. Saudi Arabia leads with over 550 certified firms, providing extensive incentives including multi-agency cooperation and SME-focused initiatives. Qatar and Bahrain have moderate participation, emphasizing regional integration and MRAs. Oman and Kuwait have smaller but growing programs.

Country	Launch Year	Certified Companies	Key Highlights
UAE	2016	123+	High trade volume, extensive MRAs, unified GCC program
Saudi Arabia	2018	550+	Multi-agency, SME incentives, robust program
Qatar	2019	47	Part of GCC AEO, targeted approach
Oman	2017	Dozens	Early adoption, single window integration
Bahrain	2019	Dozens	MRAs with Saudi Arabia C Hong Kong
Kuwait	~2022	Few (nascent)	Newest program, part of GCC unified initiative

AEO Certification Requirements and Process in the UAE

To become AEO-certified in the UAE, companies must undergo a thorough evaluation based on internationally recognized standards, especially those of the WCO SAFE Framework. The certification process ensures that only compliant and secure companies are granted trusted

trader status. Below are the key **requirements** and **steps** involved in the UAE's AEO certification process:

Key Certification Requirements:

1. Demonstrated Compliance Record

a. The company must show a clean record of compliance with customs and trade laws over the past **three years**, with no major violations.

2. Robust Internal Control and Record-Keeping

a. Applicants must have effective accounting, logistics, and inventory systems that allow customs to trace shipments and audit records.

3. Financial Solvency

a. Firms must prove they are financially sound, with no significant unpaid customs duties, taxes, or debts. Financial statements may be reviewed.

4. Supply Chain Security Measures

a. Companies must implement strong security protocols across their operations, covering cargo safety, personnel vetting, IT systems, and crisis management.

Certification Process:

1. Application Submission

a. Companies apply through their local customs authority (e.g., Dubai Customs or Abu Dhabi Customs), providing operational details and a completed form.

2. Self-Assessment Questionnaire (SAQ)

a. A detailed SAQ must be submitted, covering compliance systems, organizational structure, security protocols, and more. It helps identify any gaps in readiness.

Customs Review and Risk Assessment

b. Customs officials review the application and SAQ, conducting a risk assessment using available data and past performance.

3. Validation Audit

a. Additional Features:

b.

c. The Federal Customs Authority's AEO Unit ensures consistency across emirates.

d. The entire process is now digitized using customs IT systems, which track applications and tag AEO shipments to ensure automated priority handling at all customs points.

e. The certification process typically takes about three months under normal conditions and is designed to be transparent, efficient, and business-friendly while maintaining rigorous standards.

f. International Integration: MRAs and Trade Facilitation Networks



g. The UAE’s AEO program has been built with a strong focus on international integration. Through Mutual Recognition Arrangements (MRAs) and the GCC AEO Program, the UAE ensures that certified companies benefit from streamlined trade procedures not only nationally but also across key global markets.

h. The UAE has signed MRAs with nine strategic partners: South Korea, China, India, Indonesia, Saudi Arabia, Bahrain, Kuwait, Oman, and Qatar. These agreements allow AEO-certified companies to enjoy reciprocal benefits—such as faster clearance and fewer inspections—when trading with these countries. Collectively, these MRA partners account for approximately 35% of the UAE’s non-oil trade.

i. A major milestone was the launch of the GCC AEO Program on 1 January 2023, which unified AEO systems across all six Gulf states. Under this framework, a company certified in any one GCC country is automatically recognized in the others, greatly facilitating intra-regional trade.

j. To support this integration, the UAE has embedded AEO identifiers into its national customs IT systems. These systems automatically flag AEO shipments for priority treatment, ensuring consistency across emirates and reducing processing times at borders. The UAE’s leadership in the global AEO community is also reflected in its

k.

l. active role within the World Customs Organization (WCO). Hosting the 5th WCO Global AEO Conference and contributing to international discussions on digitalization and program harmonization, the UAE has positioned itself as a model for AEO implementation.interviewing staff.

4. Certification Decision

a. If all criteria are met, the company is approved and receives an AEO certificate. If not, feedback is provided and the company may reapply after improvements.

5. Award and Onboarding

a. Certified companies are added to the national AEO list and assigned a Key Account Manager. They can immediately begin using AEO benefits within the UAE and via MRAs with other countries.

6. Monitoring and Re-Validation

a. AEO status is reviewed regularly, including re-validation audits every **three years** or in case of compliance issues. Customs can suspend or revoke status if standards slip, but also supports continuous improvement.

Comparative Snapshot of AEO Programs in GCC Countries

Country	AEO Launch Year	Certified Companies (Approx.)	Notable Features s Progress
United Arab Emirates	2016	123+ (as of 2023)	First in the GCC to launch AEO. Around 60% of Dubai Customs transactions are by AEOs. MRAs signed with G countries (e.g., South Korea, China, India). No tiered system; implemented



(UAE)			nationwide across all 7 emirates. Strong SME engagement.
Saudi Arabia	2018	550+ (as of 2025)	Rapid expansion under ZATCA. Involves 15 government entities. Launched 15 new incentives (e.g., 30-year land leases, financial support). MRAs with UAE, Bahrain, and more in progress. High focus on SMEs.
Qatar	201G	47 (as of 2023)	Includes 3G import/export firms and 8 customs brokers. Benefits aligned with WCO standards. Integrated into GCC AEO since 2023. Built on momentum from 2022 World Cup logistics.
Oman	2017 (pilot)	Dozens (estimated)	Early adopter with 4 initial AEOs. Full rollout began in 2020. Integrated with “Bayan” single window. Now under GCC AEO mutual recognition. Focused on ports/logistics (Sohar, Salalah).
Bahrain	201G	Dozens (estimated)	Aligned with WCO SAFE Framework. Bilateral MRA with Saudi Arabia and with Hong Kong (2020). Member of GCC AEO. Likely includes major players in oil, aluminum, and logistics sectors.
Kuwait	~2022	Few (nascent program)	Most recent to implement AEO. Joined GCC AEO in January 2023. Building its program alongside broader customs reforms. Initially targeting large importers and government-related supply chains.

Note: “Dozens” indicates an estimated figure where official numbers are unavailable. All GCC AEO programs

offer similar core benefits, with variations in scale, maturity, and additional incentives.

Conclusion

The UAE’s Authorized Economic Operator (AEO) program has become a central pillar of the country’s trade facilitation strategy, offering faster clearance, cost savings, and greater

predictability for trusted traders. Since its launch in **2016**, the program has grown to include over **120 accredited companies**, now handling a significant share of the UAE's trade volume.

Key to its success are strong government support, an evolving benefits package, and proactive international

integration through Mutual Recognition Arrangements (MRAs). The UAE's leadership is further reinforced by

its integration into the **GCC-wide AEO framework**, creating a unified regional network that eases intra-Gulf trade.

Challenges—such as expanding SME participation and maintaining high compliance standards—are being addressed through ongoing stakeholder engagement, digitalization, and continuous program refinement. As the program matures, the UAE and its neighbors are positioned to explore new MRAs with global trade partners and expand AEO into emerging sectors like e-commerce.

Overall, the UAE's AEO program represents a successful model of public-private collaboration in customs modernization. It balances trade facilitation with security, serving as both a national strength and a regional benchmark in the evolving global trade environment

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